

SHIAWASSEE TOWNSHIP  
SHIAWASSEE COUNTY

AUDITED FINANCIAL STATEMENTS

MARCH 31, 2004

# Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

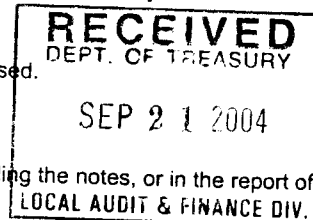
Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name <b>TOWNSHIP OF SHIAWASSEE</b>	County <b>SHIAWASSEE</b>
Audit Date <b>3/31/04</b>	Opinion Date <b>8/26/04</b>	Date Accountant Report Submitted to State: <b>9/10/04</b>	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations



You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

## We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) <b>DEMIS AND WENZLICK, P.C.</b>			
Street Address <b>217 N WASHINGTON ST, SUITE 201</b>		City <b>OWOSSO</b>	State <b>MI</b>
Accountant Signature <i>Lois Schmitt, CPA</i>		ZIP <b>48867</b>	Date <b>9/10/04</b>

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# DEMIS and WENZLICK, P.C.

*Certified Public Accountants*

217 N. Washington Street  
Pabst Building, Suite 201  
Owosso, MI 48867

989-723-8227 • FAX 989-725-5143  
E-MAIL [office@dw-cpa.com](mailto:office@dw-cpa.com)

James Demis, Jr., C.P.A.  
LaVearn G. Wenzlick, C.P.A.

Lori S. Chant, C.P.A.  
Carol A. Demis  
Jeanette Gaitskill  
Janet E. Guru  
Janis K. Mead  
Tammy Pappas  
Peggy Ryan  
Joyce M. Simmons  
Geraldine Terry, C.P.A.

## INDEPENDENT AUDITOR'S REPORT

Members of the Township Board  
Township of Shiawassee  
Shiawassee County, Michigan

We have audited the accompanying general-purpose financial statements of the Township of Shiawassee, Shiawassee County, Michigan, as of March 31, 2004. These general-purpose financial statements are the responsibility of the Township of Shiawassee. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Township of Shiawassee, as of March 31, 2004, in conformity with accounting principles generally accepted in the United States of America.

Our examination was made for the purpose of forming an opinion on the combined general-purpose financial statements taken as a whole and on the combining and individual fund financial statements. The accompanying financial information, listed as supporting schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the combined general-purpose financial statements of Shiawassee Township. Such information has been subjected to the auditing procedures applied in the financial statements of the combined, combining and individual fund financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined general-purpose financial statements taken as a whole.

Our report of comments and recommendations has been submitted under date of August 26, 2004.

*Dennis and Lengyel, P.C.*

Certified Public Accountants

Owosso, Michigan  
August 26, 2004

TOWNSHIP OF SHIAWASSEE  
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
MARCH 31, 2004

	Government Fund Types			Fiduciary Fund Type	Account Groups	
	General	Special Revenue	Capital Projects	Trust and Agency	General Fixed Assets	General Long Term Debt
Assets:						
Cash & Cash Equivalents	\$ 236,340	\$ 94,438	\$ 21,953	\$ 1,869	\$	\$
Cert. of Deposit		2,137				
Accrued Int. Rec.	14	5				
Delinq. Prop. Tax Rec.	7,534	6,080				
Due from Other Funds	3,225	5				
Due from Other Local Units		21,819				
Fixed Assets					781,189	
Amt. to be Provided for General Long Term Debt						34,257
Total Assets	<u>\$ 247,113</u>	<u>\$ 124,484</u>	<u>\$ 21,953</u>	<u>\$ 1,869</u>	<u>\$ 781,189</u>	<u>\$ 34,257</u>
Liabilities:						
Accounts Payable	\$ 681	\$ 86	\$	\$	\$	\$
Due to Other Funds		1,593		1,637		
Due to Other Taxing Ent.				232		
Long-Term Debt						34,257
Total Liabilities	\$ 681	\$ 1,679	\$ 0	\$ 1,869	\$ 0	\$ 34,257
Fund Equity:						
Investment in General Fixed Assets	\$	\$	\$	\$	\$ 781,189	\$
Fund Balance	<u>246,432</u>	<u>122,805</u>	<u>21,953</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Equity	<u>\$ 246,432</u>	<u>\$ 122,805</u>	<u>\$ 21,953</u>	<u>\$ 0</u>	<u>\$ 781,189</u>	<u>\$ 0</u>
Total Liabilities & Fund Equity	<u>\$ 247,113</u>	<u>\$ 124,484</u>	<u>\$ 21,953</u>	<u>\$ 1,869</u>	<u>\$ 781,189</u>	<u>\$ 34,257</u>

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF SHIAWASSEE  
COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
YEAR ENDED MARCH 31, 2004

GOVERNMENTAL FUND TYPES

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE</u>	<u>CAPITAL PROJECTS</u>
REVENUES:			
Taxes	\$ 53,763	\$ 51,921	\$
Fees and Permits	12,023		
Intergovernmental	163,346		
Charges for Services	1,099	43,543	
Memorial Fundraisers and Grants		3,034	
Interest Earned	1,348	815	121
Miscellaneous		3,779	
Sale of Fixed Assets		<u>5,000</u>	
TOTAL REVENUES	\$231,579	\$108,092	\$ <u>121</u>
EXPENDITURES:			
Township Board	\$ 9,745	\$	\$
Supervisor	6,700		
Clerk	10,510		
Board of Review	928		
Treasurer	10,987		
Township Hall	12,379		
Assessor	12,937		
Highways & Streets	109,046		
Drains at Large	765		
Insurance	13,804		
Fire Protection		75,316	
Cemetery Services		<u>33,209</u>	
TOTAL EXPENDITURES	\$187,801	\$108,525	\$ <u>-0-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 43,778	\$ (433)	\$ 121
Operating Transfers (Out) In	(14,124)	(2,708)	16,832
Fund Bal. April 1, 2003	<u>216,778</u>	<u>125,946</u>	<u>5,000</u>
FUND BAL. MARCH 31, 2004	\$ <u>246,432</u>	\$ <u>122,805</u>	\$ <u>21,953</u>

The accompanying notes are an integral  
part of the financial statements.



TOWNSHIP OF SHIAWASSEE  
COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE AND COMPARISON OF BUDGET TO ACTUAL  
YEAR ENDED MARCH 31, 2004

	GENERAL FUND			SPECIAL REVENUE FUND TYPES			CAPITAL PROJECT FUND		
REVENUES:	BUDGET	ACTUAL	BUDGET	BUDGET	ACTUAL	BUDGET	BUDGET	ACTUAL	BUDGET
Property Taxes	\$ 54,000	\$ 53,763	\$ 237	\$ 55,715	\$ 51,921	\$ 3,794	\$	\$	\$
Fees & Permits	2,500	12,023	(9,523)						
Intergovernmental	150,000	163,346	(13,346)						
Charges for Services	2,000	1,099	901	41,325	43,543	(2,218)			
Memorials, Fundraisers & Grants				2,000	3,034	(1,034)			
Interest Earned	7,000	1,348	5,652	2,400	815	1,585		121	
Miscellaneous				2,250	3,779	(1,529)			
Sale of Fixed Assets				6,000	5,000	1,000			
<b>TOTAL REVENUES</b>	<b>\$ 215,500</b>	<b>\$ 231,579</b>	<b>\$ (16,079)</b>	<b>\$ 109,690</b>	<b>\$ 108,092</b>	<b>\$ 1,598</b>	<b>\$ 0</b>	<b>\$ 121</b>	<b>\$ 0</b>
EXPENDITURES:									
Township Board	\$ 15,850	\$ 9,745	\$ 6,105	\$	\$	\$	\$	\$	\$
Supervisor	7,900	6,700	1,200						
Elections	3,820	0	3,820						
Clerk	10,700	10,510	190						
Board of Review	1,500	928	572						
Treasurer	12,800	10,987	1,813						
Township Hall	14,200	12,379	1,821						
Assessor	16,800	12,937	3,863						
Highways & Streets	110,000	109,046	954						
Drains at Large	6,800	765	6,035						
Planning Commission	500	0	500						
Insurance	14,500	13,804	696						
Library	500	0	500						
Fire Department				79,150	75,316	3,834			
Cemetery Service				41,750	33,209	8,541			
<b>TOTAL EXPENDITURES</b>	<b>\$ 215,870</b>	<b>\$ 187,801</b>	<b>\$ 28,069</b>	<b>\$ 120,900</b>	<b>\$ 108,525</b>	<b>\$ 12,375</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
REVENUES OVER (UNDER) EXPENDITURES	\$ (370)	\$ 43,778	\$ (44,148)	\$ (11,210)	\$ (433)	\$ (10,777)	\$ 0	\$ 121	\$ 0
OTHER SOURCES (USES) OF FUNDS:									
Operating Transfers In	\$	\$	\$	\$ 24,050	\$ 14,124	\$ 9,926	\$ 0	\$ 16,832	\$ (16,832)
Operating Transfers Out	(14,250)	(14,124)	(126)	(15,940)	(16,832)	892			
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ (14,620)	29,654	\$ (44,274)	\$ (3,100)	(3,141)	\$ 41	\$ 0	16,953	\$ (16,953)
Fund Balance 04/01/03		216,778			125,946			5,000	
Fund Balance 03/31/04		\$ 246,432			\$ 122,805			\$ 21,953	

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF SHIAWASSEE  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
YEAR ENDED MARCH 31, 2004

CURRENT TAX COLLECTION FUND

	<u>BALANCE</u> <u>3-31-03</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>3-31-04</u>
ASSETS:				
Cash	\$ <u>7,995</u>	\$ <u>1,046,571</u>	\$ <u>1,052,697</u>	\$ <u>1,869</u>
LIABILITIES:				
Due to Other Funds	\$ 2,025	\$ 148,479	\$ 148,867	\$ 1,637
Accounts Payable				
Other Taxing Entities	<u>5,970</u>	<u>898,092</u>	<u>903,830</u>	<u>232</u>
	\$ <u>7,995</u>	\$ <u>1,046,571</u>	\$ <u>1,052,697</u>	\$ <u>1,869</u>

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF SHIAWASSEE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2004

NOTE 1. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Township of Shiawassee have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below:

A. REPORTING ENTITY

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity is conducted with the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financial relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, there were no component units that need to be addressed in defining the government's reporting entity.

B. FUND ACCOUNTING

The government uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

TOWNSHIP OF SHIAWASSEE  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2004

B. FUND ACCOUNTING (CONTINUED)

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. When these assets are held under the terms of a formal trust agreement, either a pension trust fund, a "nonexpendable" and "expendable" refer to whether or not the government is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the government holds on behalf of others as their agent.

C. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

TOWNSHIP OF SHIAWASSEE  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2004

C. BASIS OF ACCOUNTING (CONTINUED)

The modified accrual basis of accounting is used by all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred.

Those revenues susceptible to accrual are property taxes, franchise taxes, special assessments, licenses, interest revenue and charges for services. Sales taxes collected and held by the state at year end on behalf of the government also are recognized as revenue. Fines, permits and parking meter revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The government reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

D. BUDGETS

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general, special revenue and debt service funds. All annual appropriations lapse at fiscal year end.

TOWNSHIP OF SHIAWASSEE  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2004

D. BUDGETS (CONTINUED)

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrances accounting-under which purchase orders, contracts and other commitments for the expenditures of resources are recorded to reserve that portion of the applicable appropriation is not utilized in the governmental funds. Encumbrances outstanding at year end are not reported as reservations of fund balances and also do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

E. CASH AND INVESTMENTS

Cash includes amounts in demand deposits, money market accounts and certificates of deposit. These are stated at cost, which equals market value.

F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables/payables."

G. FIXED ASSETS

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

TOWNSHIP OF SHIAWASSEE  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2004

G. FIXED ASSETS (CONTINUED)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, draining systems and lighting systems are not capitalized, as these assets are immovable and of value only to the government.

Assets in the general fixed assets account group are not depreciated. Depreciation of buildings, equipment and vehicles in the proprietary fund types is computed using the straight-line method.

H. GENERAL LONG-TERM DEBT ACCOUNT GROUP

The general long-term debt account group is used to establish accounting control and accountability for the unmatured principal on the organization's long-term debt.

I. COMPARATIVE DATA

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the government's financial position and operations. However, comparative data have been presented in all statements because their inclusion would make certain statements unduly complex and difficult to read.

J. USE OF ESTIMATES

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

TOWNSHIP OF SHIAWASSEE  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2004

NOTE 2. LEGAL COMPLIANCE - BUDGETS

Before the beginning of each fiscal year, all agencies of the government submit requests for appropriation so that a budget may be prepared. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

Before the beginning of each fiscal year, the proposed budget is presented to the board for review. The government's board holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available or the revenue estimated must be changed by an affirmative vote of a majority of the board.

Expenditures may not legally exceed budgeted appropriations at the activity level. During the year, several supplementary appropriations were necessary.

NOTE 3. PROPERTY TAX

Taxes levied on December 1, are payable on February 14. The Townships bills and collects its own property taxes and also taxes for the county and local school districts. Collections of the county and school taxes and remittances of them are accounted for in the current tax collection fund. Township property taxes are recognized when levied on the extent that they result in current receivables.

The Township is permitted by the Municipal Finance Law of the State to levy taxes up to 1.0 mill for general governmental services. .8985 mill is levied for general services.

The delinquent real property taxes of the Township normally are purchased by the County of Shiawassee. The county sells tax notes, the proceeds of which are used to pay the Township for these delinquent taxes. These delinquent taxes have been recorded as revenue for the current year.



TOWNSHIP OF SHIAWASSEE  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2004

NOTE 4. CHANGES IN GENERAL FIXED ASSETS

A schedule of changes in fixed assets is included in the individual financial statement section.

NOTE 5. EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN  
BUDGETARY FUNDS

P.A. 621 of 1978, Section 18 (1) as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a activity basis. The approved budgets of the Township for these budgetary funds were adopted to the activity level.

During the year ended March 31, 2004, the township incurred expenditures in certain budgetary line items which were in excess of the amounts appropriated as follows:

<u>FUND</u>	<u>TOTAL</u> <u>APPROPRIATION</u>	<u>AMOUNT OF</u> <u>EXPENDITURE</u>	<u>BUDGET</u> <u>VARIANCE</u>
Fire Fund:			
Operating Supplies	\$ 8,500	\$ 9,404	\$ 904
Gas and Oil	-0-	1,045	1,045
Payroll Taxes	850	1,323	473
Transfer Out	15,940	16,832	892

TOWNSHIP OF SHIAWASSEE  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2004

NOTE 6. CASH AND CERTIFICATES OF DEPOSIT

The Township's deposits consist of checking accounts, interest bearing money market accounts and a certificates of deposit. At year end, the carrying amount of the township's deposits was \$356,736 and the bank balance was \$364,684, of the bank balance, \$200,062 was covered by Federal Depository Insurance. Only \$164,622 in the money market accounts and checking was neither insured nor collateralized.

The Township's deposits at March 31, 2004, consisted of cash money market account and certificates of deposit at three financial institutions:

<u>INSTITUTION A</u>	<u>AMOUNT</u>	<u>FDIC INSURED</u>	<u>UNINSURED</u>
Cash	\$ <u>223,360</u>	\$ <u>100,000</u>	\$ <u>123,360</u>
<u>INSTITUTION B</u>			
Time Deposits	\$ <u>141,262</u>	\$ <u>100,000</u>	\$ <u>41,262</u>
<u>INSTITUTION C</u>			
Cash	\$ <u>62</u>	\$ <u>62</u>	\$ <u>-0-</u>

NOTE 7. PENSION

The township started a pension plan July 1, 1991, for all full-time employees. The township contributed \$2,749 during the year ended March 31, 2004. The pension consists of 6% withholding from the employees annual compensation, and a matching 6% from the township.

NOTE 8. INTERFUND ASSETS/LIABILITIES

DUE FROM/TO OTHER FUNDS:

<u>RECEIVABLE FUND</u>	<u>PAYABLE FUND</u>	<u>AMOUNT</u>
General Fund	Fire Fund	\$ 1,588
General Fund	Current Tax Collection	1,637
Cemetery Fund	Fire Fund	5

TOWNSHIP OF SHIAWASSEE  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2004

NOTE 9. LONG-TERM DEBT

The township purchased a new fire truck with a cost of \$210,615.61. Township paid a total of \$131,534.00 by the delivery date of the truck, with a balance due of \$79,081.61. The balance is to be paid in five annual payments of \$19,575.32. The loan is payable with interest at 9.19% per annum and is secured by the fire truck. First payment was March 2002.

<u>YEAR</u>	<u>PAYMENT</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>
2005	\$19,575	\$ 2,378	\$17,197
2006	<u>19,575</u>	<u>2,515</u>	<u>17,060</u>
	<u>\$39,150</u>	<u>\$ 4,893</u>	<u>\$34,257</u>

FINANCIAL STATEMENTS  
OF  
INDIVIDUAL FUNDS

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

TOWNSHIP OF SHIAWASSEE  
COMPARATIVE BALANCE SHEET  
MARCH 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
ASSETS:		
Cash in Bank	\$236,340	\$207,458
Taxes Receivable	7,534	6,898
Accrued Interest Rec.	14	30
Due from Other Funds	<u>3,225</u>	<u>3,468</u>
TOTAL ASSETS	<u>\$247,113</u>	<u>\$217,854</u>
LIABILITIES:		
Accounts Payable	\$ <u>681</u>	\$ <u>1,076</u>
TOTAL LIABILITIES	\$ 681	\$ 1,076
GENERAL FUND BALANCE	<u>246,432</u>	<u>216,778</u>
TOTAL LIABILITIES AND GENERAL FUND BALANCE	<u>\$247,113</u>	<u>\$217,854</u>

The accompanying notes are an integral  
part of the financial statements.

TOWNSHIP OF SHIAWASSEE  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
YEARS ENDED MARCH 31, 2004 AND 2003

GENERAL FUND

	<u>2004</u>			<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>	<u>ACTUAL</u>
REVENUES:				
Taxes:				
Property Taxes	\$ 54,000	\$ 53,763	\$ 237	\$ 51,089
Interest on Taxes	-0-	594	(594)	1,383
Admin. Fee	2,500	11,429	(8,929)	13,827
State Shared Rev.	150,000	163,346	(13,346)	178,209
Charges for Services:				
Cable Franchise	2,000	1,099	901	1,154
Interest Income	<u>7,000</u>	<u>1,348</u>	<u>5,652</u>	<u>2,736</u>
TOTAL REVENUES	\$215,500	\$231,579	\$ (16,079)	\$248,398
EXPENDITURES:				
Twp. Board:				
Salaries	\$	\$ 3,642	\$	\$ 3,642
Dues & Misc.		1,132		1,695
Audit & Legal		2,350		2,250
Publishing		156		114
Payroll Taxes		459		464
Pension		<u>2,006</u>		<u>1,690</u>
TOTAL TWP. BOARD	\$ 15,850	\$ 9,745	\$ 6,105	\$ 9,855
Supervisor:				
Salaries	\$	\$ 6,700	\$	\$ 6,700
TOTAL SUPERVISOR	\$ 7,900	\$ 6,700	\$ 1,200	\$ 6,700
Clerk:				
Salaries	\$	\$ 9,242	\$	\$ 9,430
Office Supplies		<u>1,268</u>		<u>1,663</u>
TOTAL CLERK	\$ 10,700	\$ 10,510	\$ 190	\$ 11,093

The accompanying notes are an integral  
part of the financial statements.

TOWNSHIP OF SHIAWASSEE  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE (CONTINUED)  
YEARS ENDED MARCH 31, 2004 AND 2003

GENERAL FUND

	<u>2004</u>		<u>2003</u>	
	<u>BUDGET</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>	<u>ACTUAL</u>
REVENUES:				
Board of Review:				
Salaries	\$	\$ 903	\$	\$
Supplies		25		
TOTAL BOARD OF REVIEW	\$ 1,500	\$ 928	\$ 572	\$ 654
Treasurer:				
Salaries	\$	\$ 7,779	\$	\$ 8,026
Office Supplies		999		1,947
Tax Roll Prep		2,209		1,695
TOTAL TREASURER	\$ 12,800	\$ 10,987	\$ 1,813	\$ 11,668
Assessor:				
Salaries	\$	\$ 11,844	\$	\$
Supplies		1,093		
TOTAL ASSESSOR	\$ 16,800	\$ 12,937	\$ 3,863	\$ 15,069
Hall & Grounds:				
Salaries	\$	\$ 457	\$	\$ 227
Utilities		4,624		4,429
Rep. & Maint.		3,021		1,125
Telephone		3,806		4,051
Office Supplies		471		358
TOTAL HALL & GROUNDS	\$ 14,200	\$ 12,379	\$ 1,821	\$ 10,190
Other Gen. Gov't:				
Insurance	\$ 14,500	\$ 13,804	\$ 696	\$ 12,644
Library	500	-0-	500	200
Planning Comm.	500	-0-	500	-0-
TOTAL OTHER GENERAL GOVERNMENT	\$ 15,500	\$ 13,804	\$ 1,696	\$ 12,844

The accompanying notes are an integral part of the financial statements.



TOWNSHIP OF SHIAWASSEE  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
YEAR ENDED MARCH 31, 2004 AND 2003

GENERAL FUND

	<u>2004</u>		<u>2003</u>	
	<u>BUDGET</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>	<u>ACTUAL</u>
EXPENDITURES:				
Election:				
Salaries	\$	\$ -0-	\$	\$ 552
Contract Labor		-0-		1,430
Supplies		-0-		1,187
Publishing		-0-		130
TOTAL ELECTION	\$ 3,820	\$ -0-	\$ 3,820	\$ 3,299
Drains	6,800	765	6,035	5,024
Cemetery Land	-0-	-0-	-0-	39,128
Roads	<u>110,000</u>	<u>109,046</u>	<u>954</u>	<u>91,807</u>
TOTAL EXPENDITURES	\$ <u>215,870</u>	\$ <u>187,801</u>	\$ <u>28,069</u>	\$ <u>217,331</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (370)	\$ 43,778	\$ (44,148)	\$ 31,067
Other Sources (Uses):				
Transfers In	\$	\$	\$	\$ -0-
Transfers Out	<u>(14,250)</u>	<u>(14,124)</u>	<u>(126)</u>	<u>(10,346)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	\$ <u>(14,620)</u>	\$ 29,654	\$ <u>(44,274)</u>	\$ 20,721
Fund Balance April 1, 2003		<u>216,778</u>		<u>196,057</u>
FUND BALANCE MARCH 31, 2004		<u>\$246,432</u>		<u>\$216,778</u>

The accompanying notes are an integral  
part of the financial statements.

SPECIAL REVENUE FUNDS

FIRE FUND

Fire Fund is used to account for fees received and monies disbursed for Township fire protection.

CEMETERY FUND

To account for lot sales and interest earned for the purpose of maintaining the Township's cemetery.

CEMETERY PERPETUAL CARE FUND

Cemetery Fund is used to account for monies received and disbursed for maintenance of the Township's cemetery.

TOWNSHIP OF SHIAWASSEE  
SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
MARCH 31, 2004 AND 2003

	<u>2004</u>			<u>2003</u>	
	<u>FIRE</u>	<u>CEMETERY</u>	<u>CEMETERY PERPETUAL CARE</u>	<u>COMBINED</u>	<u>COMBINED</u>
ASSETS:					
Cash in					
Bank	\$ 63,868	\$ 4,054	\$26,516	\$ 94,438	\$110,619
Cert. of					
Deposit			2,137	2,137	2,086
Interest Rec.			5	5	26
Taxes Rec.	6,080			6,080	5,335
Due from Other					
Funds		5		5	2,005
Due from Other					
Taxing Ent.	<u>21,819</u>			<u>21,819</u>	<u>19,482</u>
	<u>\$ 91,767</u>	<u>\$ 4,059</u>	<u>\$28,658</u>	<u>\$124,484</u>	<u>\$139,553</u>
LIABILITIES:					
Accts. Pay. \$	152	\$ (66)	\$	\$ 86	\$ 5,159
Due to Other					
Funds	<u>1,593</u>	<u>-0-</u>		<u>1,593</u>	<u>8,448</u>
	\$ 1,745	\$ (66)	\$ -0-	\$ 1,679	\$ 13,607
FUND BALANCE:					
Fund Bal.	<u>\$ 90,022</u>	<u>\$ 4,125</u>	<u>\$28,658</u>	<u>\$122,805</u>	<u>\$125,946</u>
	<u>\$ 91,767</u>	<u>\$ 4,059</u>	<u>\$28,658</u>	<u>\$124,484</u>	<u>\$139,553</u>

The accompanying notes are an integral  
part of the financial statements.

TOWNSHIP OF SHIAWASSEE  
SPECIAL REVENUE FUNDS  
COMPARATIVE COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
YEARS ENDED MARCH 31, 2004 AND 2003

	<u>2004</u>			<u>2003</u>	
	<u>FIRE</u>	<u>CEMETERY</u>	<u>CEMETERY PERPETUAL CARE</u>	<u>COMBINED</u>	<u>COMBINED</u>
REVENUES:					
Prop. Taxes	\$ 51,921	\$	\$	\$ 51,921	\$ 49,542
Charges for Services	29,568	13,975		43,543	33,364
Memorials, Fundraisers and Grants	3,034			3,034	8,539
Int. & Div. Earned	476	10	329	815	1,544
Misc.	3,029	750		3,779	1,155
Sale of Fixed Assets	<u>-0-</u>	<u>5,000</u>		<u>5,000</u>	<u>5,680</u>
TOTAL REV.	\$ 88,028	\$ 19,735	\$ 329	\$108,092	\$ 99,824
EXPENDITURES:					
Fire Protect. Contracted Services	\$ 75,316	\$	\$	\$ 75,316	\$ 65,285
Cemetery Services		<u>33,209</u>		<u>33,209</u>	<u>26,758</u>
TOTAL EXP.	\$ 75,316	\$ 33,209	\$ -0-	\$108,525	\$ 92,043
EXCESS OF REVENUES OVER (UNDER)					
EXPEND.	\$ 12,712	\$ (13,474)	\$ 329	\$ (433)	\$ 7,781
OTHER SOURCES (USES) OF FUNDS:					
Trans. In.	\$ -0-	\$ 14,124	\$ -0-	\$ 14,124	\$ 10,346
Trans. Out	<u>(16,832)</u>	<u>-0-</u>	<u>-0-</u>	<u>(16,832)</u>	<u>(5,000)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES) OF FUNDS					
	\$ 4,120	\$ 650	\$ 329	\$ (3,141)	\$ 13,127
Fund Balance					
April 1,	<u>94,142</u>	<u>3,475</u>	<u>28,329</u>	<u>125,946</u>	<u>112,819</u>
FUND BALANCE					
MARCH 31,	<u>\$ 90,022</u>	<u>\$ 4,125</u>	<u>\$28,658</u>	<u>\$122,805</u>	<u>\$125,946</u>

The accompanying notes are an integral  
part of the financial statements.

TOWNSHIP OF SHIAWASSEE  
COMPARATIVE BALANCE SHEET  
MARCH 31, 2004 AND 2003

FIRE FUND

	<u>2004</u>	<u>2003</u>
ASSETS:		
Cash in Bank	\$ 63,868	\$ 78,634
Due from Antrim Township	21,819	19,482
Taxes Receivable	6,080	5,335
Due from Cemetery Fund	-0-	1,860
Due from Tax Account	-0-	145
	<u>\$ 91,767</u>	<u>\$105,456</u>
LIABILITIES:		
Accounts Payable	\$ 152	\$ 4,726
Due to General Fund	1,588	1,588
Due to Cemetery Fund	5	5,000
	<u>\$ 1,745</u>	<u>\$ 11,314</u>
FIRE FUND BALANCE	<u>90,022</u>	<u>94,142</u>
TOTAL LIABILITIES AND FIRE FUND BALANCE	<u>\$ 91,767</u>	<u>\$105,456</u>

The accompanying notes are an integral  
part of the financial statements.

TOWNSHIP OF SHIAWASSEE  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
YEARS ENDED MARCH 31, 2004 AND 2003

FIRE FUND

		<u>2004</u>		<u>2003</u>
			ACTUAL (OVER) UNDER	
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUES:				
Property Taxes	\$ 55,715	\$ 51,921	\$ 3,794	\$ 49,542
Charges for Services:				
Fire Run and				
Protection	31,325	29,568	1,757	19,961
Memorials, Fund-				
raisers & Grants	2,000	3,034	(1,034)	8,539
Interest Earned	1,400	476	924	936
Other	<u>1,550</u>	<u>3,029</u>	<u>(1,479)</u>	<u>405</u>
TOTAL REVENUES	\$ 91,990	\$ 88,028	\$ 3,962	\$ 79,383
EXPENDITURES:				
Long-Term Debt				
Financing	\$ 17,407	\$ 17,407	\$ -0-	\$ 15,108
Salaries	17,300	17,294	6	16,168
Training	2,000	964	1,036	500
Office Supplies	2,200	531	1,669	97
Operating Supplies	8,500	9,404	(904)	9,661
Gas and Oil	-0-	1,045	(1,045)	1,123
Telephone	900	682	218	901
Medical	350	37	313	183
Insurance	8,000	7,005	995	5,984
Interest	2,168	2,168	-0-	4,467
Payroll Taxes	850	1,323	(473)	1,237
Misc. & Dues	675	365	310	332
Fire Prevention				
Program	600	559	41	743
Equipment	<u>18,200</u>	<u>16,532</u>	<u>1,668</u>	<u>8,781</u>
TOTAL EXPEND.	\$ 79,150	\$ 75,316	\$ 3,834	\$ 65,285
EXCESS OF REVENUES				
OVER (UNDER)				
EXPENDITURES	\$ 12,840	\$ 12,712	\$ 128	\$ 14,098
OTHER SOURCES (USES) OF FUNDS:				
Transfers In	\$	\$	\$	\$
Transfer Out	<u>15,940</u>	<u>16,832</u>	<u>(892)</u>	<u>(5,000)</u>
EXCESS OF REVENUES				
OVER (UNDER) EXPEND.				
AND OTHER SOURCES				
(USES) OF FUNDS)	\$ <u>(3,100)</u>	\$ (4,120)	\$ <u>1,020</u>	\$ 9,098
Fund Balance April 1,		<u>94,142</u>		<u>85,044</u>
FUND BALANCE MARCH 31,		<u>\$ 90,022</u>		<u>\$ 94,142</u>

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF SHIAWASSEE  
COMPARATIVE BALANCE SHEET  
MARCH 31, 2004 AND MARCH 31, 2003

CEMETERY FUND

ASSETS

	<u>2004</u>	<u>2003</u>
Cash	\$4,054	\$5,768
Due from Fire Fund	<u>5</u>	<u>-0-</u>
	<u>\$4,059</u>	<u>\$5,768</u>

FUND BALANCE

Liabilities:

Accounts Payable	\$ (66)	\$ 433
Due to Fire Fund	<u>-0-</u>	<u>1,860</u>
	\$ (66)	\$2,293

Fund Balance	<u>4,125</u>	<u>3,475</u>
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TOTAL LIABILITIES AND CEMETERY FUND BALANCE	<u>\$4,059</u>	<u>\$5,768</u>
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The accompanying notes are an integral  
part of the financial statements.

TOWNSHIP OF SHIAWASSEE  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
YEARS ENDED MARCH 31, 2004 AND 2003

		CEMETERY FUND <u>2004</u>		<u>2003</u>	
		<u>BUDGET</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>	<u>ACTUAL</u>
REVENUES:					
Foundations	\$	2,000	\$ 1,815	\$ 185	\$ 1,813
Openings & Closings		4,000	8,935	(4,935)	7,105
Lot & Grave Sales		4,000	3,225	775	4,485
Land Rental		700	750	(50)	750
Interest Earned		1,000	10	990	28
Sale of Fixed Assets		<u>6,000</u>	<u>5,000</u>	<u>1,000</u>	<u>5,680</u>
TOTAL REVENUES	\$	17,700	\$19,735	\$ (2,035)	\$ 19,861
EXPENDITURES:					
Land Improvements	\$	4,100	\$ 1,200	\$ 2,900	\$ 505
Salaries		20,000	19,906	94	19,142
Payroll Taxes		1,400	302	1,098	405
Pension		1,000	743	257	1,025
Operating Supplies		400	122	278	180
Gas and Oil		700	332	368	381
Insurance		2,020	1,387	633	1,605
Utilities		150	89	61	100
Repairs & Maint.		3,915	2,912	1,003	2,637
Perpetual Maint.		550	536	14	778
Equipment		<u>7,515</u>	<u>5,680</u>	<u>1,835</u>	<u>-0-</u>
TOTAL EXPENDITURES	\$	41,750	\$ 33,209	\$ 8,541	\$ 26,758
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES					
	\$	(24,050)	\$ (13,474)	\$ (10,576)	\$ (6,897)
OTHER SOURCES (USES) OF FUNDS:					
Transfer In	\$	<u>24,050</u>	<u>\$ 14,124</u>	<u>\$ 9,926</u>	<u>\$ 10,346</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES) OF FUNDS					
	\$	<u>-0-</u>	\$ 650	<u>\$ (650)</u>	\$ 3,449
Fund Balance April 1,			<u>3,475</u>		<u>26</u>
FUND BALANCE MARCH 31,			<u>\$ 4,125</u>		<u>\$ 3,475</u>

The accompanying notes are an integral part of the financial statements.



TOWNSHIP OF SHIAWASSEE  
COMPARATIVE BALANCE SHEET  
MARCH 31, 2004 AND 2003

CEMETERY PERPETUAL CARE FUND

	<u>2004</u>	<u>2003</u>
ASSETS:		
Cash - Savings	\$26,516	\$26,217
Certificate of Deposit	2,137	2,086
Accrued Interest Receivable	<u>5</u>	<u>26</u>
TOTAL ASSETS	<u>\$28,658</u>	<u>\$28,329</u>
 CEMETERY PERPETUAL CARE FUND BALANCE	 <u>\$28,658</u>	 <u>\$28,329</u>

The accompanying notes are an integral  
part of the financial statements.

TOWNSHIP OF SHIAWASSEE  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
YEARS ENDED MARCH 31, 2004 AND 2003

CEMETERY PERPETUAL CARE FUND

	<u>2004</u>		ACTUAL (OVER) UNDER	<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUES:				
Interest & Dividends	\$ _____	\$ <u>329</u>	\$ <u>(329)</u>	\$ <u>580</u>
TOTAL REVENUES	\$ _____	\$ <u>329</u>	\$ <u>(329)</u>	\$ <u>580</u>
EXPENDITURES	_____	_____	_____	_____
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ _____	\$ <u>329</u>	\$ <u>(329)</u>	\$ <u>580</u>
OTHER SOURCES (USES) OF FUNDS:				
Transfers Out	_____	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	\$ _____	\$ <u>329</u>	\$ <u>(329)</u>	\$ <u>580</u>
Fund Balance April 1, 2003		<u>28,329</u>		<u>27,749</u>
FUND BALANCE MARCH 31, 2004		<u>\$28,658</u>		<u>\$28,329</u>

The accompanying notes are an integral  
part of the financial statements.

CAPITAL PROJECTS FUND

Fire Equipment Fund

This fund is used to account for monies which have been set aside to replace fire equipment.

TOWNSHIP OF SHIAWASSEE  
FIRE EQUIPMENT FUND  
COMPARATIVE BALANCE SHEET  
MARCH 31, 2004 AND 2003

ASSETS

	<u>2004</u>	<u>2003</u>
Cash Savings	\$21,953	\$ -0-
Due from Fire Fund	<u>-0-</u>	<u>5,000</u>
	<u>\$21,953</u>	<u>\$ 5,000</u>

FUND BALANCE

Fund Balance	<u>\$21,953</u>	<u>\$ 5,000</u>
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The accompanying notes are an integral  
part of the financial statements.

TOWNSHIP OF SHIAWASSEE  
FIRE EQUIPMENT FUND  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
YEARS ENDED MARCH 31, 2004 AND 2003

	<u>2004</u>		<u>2003</u>	
	<u>BUDGET</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>	<u>ACTUAL</u>
REVENUES:				
Interest Earned	\$ _____	\$ <u>121</u>	\$ <u>(121)</u>	\$ <u>-0-</u>
TOTAL REVENUES	\$ _____	\$ <u>121</u>	\$ <u>(121)</u>	\$ <u>-0-</u>
EXPENDITURES:				
Equipment Purchased	\$ _____	\$ _____	\$ _____	\$ _____
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ _____	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>
OTHER SOURCES (USES) OF FUNDS:				
Transfer In	\$ _____	\$ <u>16,832</u>	\$ <u>(16,832)</u>	\$ <u>5,000</u>
Transfer Out	_____	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES) OF FUNDS	\$ <u>_____</u>	<u>16,953</u>	\$ <u>(16,953)</u>	<u>5,000</u>
Fund Balance April 1, 2003		<u>5,000</u>		<u>-0-</u>
FUND BALANCE MARCH 31, 2004		<u>\$21,953</u>		<u>\$ 5,000</u>

The accompanying notes are an integral  
part of the financial statements.

CURRENT TAX COLLECTION FUND

Current Tax Collection Fund is used to receive the Township's current tax and to distribute such monies to the local school districts, county and township general fund.

TOWNSHIP OF SHIAWASSEE  
CURRENT TAX COLLECTION FUND  
BALANCE SHEET  
MARCH 31, 2004 AND 2003

ASSETS

	<u>2004</u>	<u>2003</u>
Cash	\$ <u>1,869</u>	\$ <u>7,995</u>

LIABILITIES

Due to Other Funds	\$ 1,637	\$ 2,025
Due to Other Taxing Entities	<u>232</u>	<u>5,970</u>
	\$ <u>1,869</u>	\$ <u>7,995</u>

The accompanying notes are an integral  
part of the financial statements.

TOWNSHIP OF SHIAWASSEE  
CURRENT TAX COLLECTION FUND  
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES  
YEAR ENDED MARCH 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
CASH RECEIPTS:		
2003 Roll Property Tax Collections For:		
Owosso School		
District	\$ 13,324	\$ 16,044
Corunna School		
District	94,412	91,589
Durand School		
District	167,410	149,384
Morrice School		
District	33,964	23,954
Shiawassee Twp.	121,552	106,685
Shiawassee County		
Current Property		
Taxes	<u>580,871</u>	<u>832,933</u>
	1,011,533	1,220,589
Other Receipts:		
Trailer Tax	\$ 3,348	\$ 3,351
Dog Licenses	120	429
Delinquent Taxes	19,832	26,077
Int. & Pen.	1,746	2,112
Admin. Fees	<u>9,992</u>	<u>13,827</u>
	35,038	45,796
TOTAL CASH RECEIPTS	\$1,046,571	\$1,266,385
Cash Disbursements:		
Current & Delinquent Property Tax Collections For:		
Owosso School		
District	\$ 13,324	\$ 16,044
Corunna School		
District	95,291	91,589
Durand School		
District	172,935	151,594
Morrice School		
District	33,964	23,999
Shiawassee Twp.	148,867	138,159
Shiawassee Co.	<u>588,316</u>	<u>838,535</u>
	1,052,697	1,259,920
EXCESS OF CASH RECEIPTS OVER		
(UNDER) CASH DISBURSEMENTS \$	(6,126)	\$ 6,465
Cash Balances:		
Cash at March 31, 2003 & 2002	<u>7,995</u>	<u>1,530</u>
CASH BALANCE AT		
MARCH 31, 2004 AND 2003	\$ <u>1,869</u>	\$ <u>7,995</u>

The accompanying notes are an integral part of the financial statements.



GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets

TOWNSHIP OF SHIAWASSEE  
GENERAL FIXED ASSET ACCOUNT GROUP  
BALANCE SHEET  
MARCH 31, 2004 AND 2003

ASSETS

	<u>2004</u>	<u>2003</u>
Land & Improvements	\$142,822	\$142,822
Building & Improvements	117,101	117,101
Vehicles	380,516	380,516
Machinery & Equipment	121,626	129,925
Office Equipment & Furniture	<u>19,124</u>	<u>19,124</u>
	<u>\$781,189</u>	<u>\$789,488</u>

FUND BALANCE

Investment in General Fixed Assets	<u>\$781,189</u>	<u>\$789,488</u>
---------------------------------------	------------------	------------------

The accompanying notes are an integral  
part of the financial statements.

TOWNSHIP OF SHIAWASSEE  
FIXED ASSET ACCOUNT GROUP  
ANALYSIS OF CHANGE IN GENERAL FIXED ASSETS  
MARCH 31, 2004

	<u>BALANCE</u> <u>3-31-03</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>3-31-04</u>
Land & Impr.	\$142,822	\$ 2	\$	\$142,822
Building & Impr.	117,101			117,101
Vehicles	380,516			380,516
Mach. & Equip.	129,925	22,212	30,511	121,626
Office Equip. & Furniture	<u>19,124</u>			<u>19,124</u>
	<u>\$789,488</u>	<u>\$ 22,212</u>	<u>\$30,511</u>	<u>\$781,189</u>

The accompanying notes are an integral  
part of the financial statements.

GENERAL LONG-TERM DEBT ACCOUNT GROUP

To account for the long-term lease  
payable for a fire truck in the  
Fire Fund.

TOWNSHIP OF SHIAWASSEE  
GENERAL LONG-TERM DEBT ACCOUNT GROUP  
COMPARATIVE BALANCE SHEET  
MARCH 31, 2004 AND 2003

ASSETS

	<u>2004</u>	<u>2003</u>
Amount to be Provided for the Retirement of Lease	\$ <u>34,257</u>	\$ <u>51,664</u>

LIABILITIES

Lease Payable	\$ <u>34,257</u>	\$ <u>51,664</u>
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The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF SHIAWASSEE  
GENERAL LONG-TERM DEBT ACCOUNT GROUP  
ANALYSIS OF CHANGE IN LONG-TERM DEBT  
MARCH 31, 2004

	<u>BALANCE</u> <u>03-31-03</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>BALANCE</u> <u>03-31-04</u>
Lease Payable -				
Fire Truck	\$ <u>51,664</u>	\$ <u>-0-</u>	\$ <u>17,407</u>	\$ <u>34,257</u>
	<u>\$ 51,664</u>	<u>\$ -0-</u>	<u>\$ 17,407</u>	<u>\$ 34,257</u>

The accompanying notes are an integral  
part of the financial statements.



# DEMIS and WENZLICK, P.C.

*Certified Public Accountants*

217 N. Washington Street  
Pabst Building, Suite 201  
Owosso, MI 48867

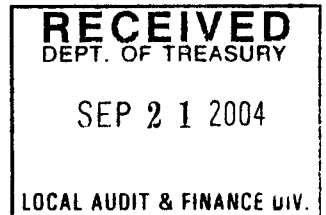
989-723-8227 • FAX 989-725-5143  
E-MAIL office@dw-cpa.com

James Demis, Jr., C.P.A.  
LaVearn G. Wenzlick, C.P.A.

Lori S. Chant, C.P.A.  
Carol A. Demis  
Jeanette Gaitskill  
Janet E. Guru  
Janis K. Mead  
Tammy Pappas  
Peggy Ryan  
Joyce M. Simmons  
Geraldine Terry, C.P.A.

August 26, 2004

Members of the Township Board  
Township of Shiawassee  
Shiawassee County, Michigan



In compliance with the provisions of Section 11, Paragraph 2, of Act 2, Public Acts of 1968, we wish to render our report of comments and recommendations which were formulated as a result of the examination our firm performed on the financial statements of the Township of Shiawassee for the year ended March 31, 2004.

As a result of our examination of the Township's financial statements, we make the following comments:

## BUDGET

The Michigan Public Act 621, of 1978, includes compliance requirements in budgeting. Expenditures under this act cannot exceed the budget. Expenditures within the definition of accrual accounting includes any accounts payable at March 31. Expenditures also include any contractual work incurred during the current year, even if there is no obligation to pay for several years.

The total budgeted expenditures should not exceed the total budgeted revenues plus beginning fund balance.

Expenses should be reviewed prior to year end and the budget amended to include all expenses of the period, including transfers to other funds.

### GASB 34

The Government Accounting Standard Board issued Statement #34. This statement significantly changes governmental financial reporting, requires reporting of infrastructure, including related depreciation and requires management discussion and analysis of the government's financial condition. The effective date of this statement is March 31, 2005 for Shiawassee Township.

The State of Michigan has indicated it will not enforce compliance with GASB 34. We will, at a later time, itemize both the advantages and disadvantages of to Shiawassee Township's compliance with this statement.

### CASH DISBURSEMENTS

In the area of cash disbursements, the Township should retain all vendor invoices for each fund. When a check is written for a vendor invoice, the invoice should be cancelled by writing the date and check number of the invoice. We found several instances where there was no in voice or the invoice was not cancelled. The Township needs to make sure that these controls are applied consistently.

We wish to thank the board for the excellent cooperation we received in performing the Township audit. If we can be of any further assistance to the Township in implementing these recommendations or any other Township business, please contact us.

*Dennis and Wengfisch, P.C.*

Certified Public Accountants

Owosso, Michigan  
August 26, 2004